

Introduced by Senator Lowenthal

February 9, 2010

An act to amend Section 214.16 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 996, as introduced, Lowenthal. Property tax: welfare exemptions: rental housing and related facilities: cancellation of tax.

Existing property tax law establishes a partial welfare exemption for property used exclusively for rental housing and related facilities that was previously purchased and owned by the Department of Transportation, as specified, and that is now solely owned by an organization that qualifies as an exempt organization. Existing law requires any outstanding tax, interest, or penalty that was levied or imposed upon property that qualifies for this partial welfare exemption and that satisfies specified criteria between January 1, 2002, and January 1, 2009, to be canceled if the owner of the property certifies that certain conditions were met at the time the tax was levied.

This bill would require any tax, interest, or penalty, that was levied or imposed upon property as described above and that was paid, to be refunded.

By imposing new duties upon county tax officials with respect to the refund of these property tax payments, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state,

reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 214.16 of the Revenue and Taxation
2 Code is amended to read:

3 214.16. (a) Any ~~outstanding~~ tax, interest, or penalty that was
4 levied or imposed upon property that qualifies for an exemption
5 pursuant to Section 214 and satisfies the criteria specified in
6 subparagraph (D) of paragraph (1) of subdivision (g) of Section
7 214 between January 1, 2002, and January 1, 2009, shall be
8 canceled *or refunded*, provided that the owner of the property
9 certifies that all of the following conditions were met at the time
10 the tax was levied:

11 (1) The owner was not organized and did not operate for profit.

12 (2) There was a recorded deed restriction or other legal
13 document that restricted the project's usage and that provided that
14 the units designated for use by lower income households were
15 continuously available to or occupied by lower income households
16 at rents not exceeding those prescribed by Section 50053 of the
17 Health and Safety Code.

18 (3) The funds that would have been necessary to pay property
19 taxes were used to maintain the affordability of, or reduce rents
20 otherwise necessary for, the units occupied by lower income
21 households.

22 (b) For purposes of this section, "lower income households"
23 has the same meaning as defined by Section 50079.5 of the Health
24 and Safety Code.

25 SEC. 2. If the Commission on State Mandates determines that
26 this act contains costs mandated by the state, reimbursement to
27 local agencies and school districts for those costs shall be made
28 pursuant to Part 7 (commencing with Section 17500) of Division
29 4 of Title 2 of the Government Code.